



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

OCT 9 2001



MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS
COMMAND
COMMANDER IN CHIEF, U.S. TRANSPORTATION COMMAND
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTOR, WASHINGTON HEADQUARTERS SERVICES

SUBJECT: Financing for Essential Military Functions Under Continuing Resolution (CR)
for FY 2002

This memorandum provides guidance for the financing and operation of military functions of the Department of Defense (DoD), which are funded in the Defense Appropriations Act and the Military Construction Appropriations Act, through the fiscal year period of the Joint Resolution Making Continuing Appropriations as passed by the Congress. The terms and conditions of this guidance for the CR remain in effect through October 16, 2001 and for any extension. The provisions of the Defense Appropriations Act and the Military Construction Appropriations Act will govern defense operations and financing of military functions, once enacted.

A. General

1. All actions will be taken consistent with the instructions below and no action will be taken to accelerate or increase the scope of ongoing programs or undertake new programs in any appropriation.
2. The amounts to be made available for obligation by appropriation account are provided in the attachment for the interim CR period and contain adequate funding to fully support the President's counterdrug and environmental initiatives.
3. Programs and activities that were conducted in FY 2001 under the provisions of the FY 2001 DoD Appropriations Act and the FY 2001 Military Construction Act may be continued at a rate of operations not exceeding the current rate under the authority and conditions provided in the applicable appropriations act for FY 2001.

B. Special Instructions and Limitations

1. During the CR period, the Congress intends that new activities be limited. In general, a new activity means the initiation, resumption or continuation of any project, subproject, activity, subactivity, program element or subprogram within a program element for which an appropriation, fund or other authority was not available during the previous fiscal year. In view of this provision and the general concept of refraining from taking actions that impinge on congressional discretion, the following guidelines apply:

a. Military Personnel bonus authorities or other authorities that would otherwise expire cannot be continued until enactment of authorizing legislation, and discretionary pays authorized under existing legislation or under subsequently enacted legislation should not be increased in amount or in scope.

b. Programs for which an appropriation, fund or other authority was not available during the previous fiscal year may not be initiated during the CR period.

c. Appropriation accounts will be apportioned, based on the CR level and prorated over the period of the CR and no contracts may be awarded or other actions taken which would obligate funds in excess of the amounts available under this formula.

d. In the investment accounts, funds should not be used for new production of items not funded for production in the prior fiscal year or to increase production rates or levels of effort above those sustained with FY 2001 funds. Investment items are defined as a P-1 line item within a procurement appropriation account and as a subprogram element within a program element (R-1 line item) in an RDT&E appropriation account. No funds can be spent on any item for which an appropriation, fund, or other authority was not available during FY 2001.

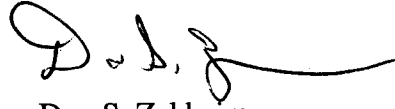
e. Military Construction and Family Housing projects and activities requiring authorizing legislation may not be executed until passage of such legislation.

2. Multiyear procurements utilizing advance procurement funding for economic order quantity procurement will not be initiated during the CR period.

3. Any appropriation, fund, or authority made available for the CR period will be in accordance with and subject to all the limitations, restrictions and conditions contained in the applicable appropriations act for FY 2001, and shall reflect any changes in authority in the CR if and when its period is extended. Should any revision to the CR contain provisions other than a simple extension of the period of the CR, they shall be followed and additional instructions will be provided as necessary.

C. Exceptions

Requests for any exceptions to the above should be submitted for consideration.

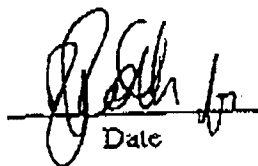
A handwritten signature in black ink, appearing to read 'D. S. Zakheim', with a long horizontal flourish extending to the right.

Dov S. Zakheim

Attachment

Department of Defense
Letter Apportionment for FY 2002 Continuing Resolution
H.J. Res. 65

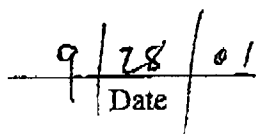
The Department requests that the amounts reflected in the "Apportioned" column of the enclosure be approved for the continuing resolution period beginning on October 1, 2001 and ending October 16, 2001. The amounts were developed in accordance with continuing resolution legislation, H.J. Res. 65, and longstanding mutually agreed calculations for the FY 2001 base.

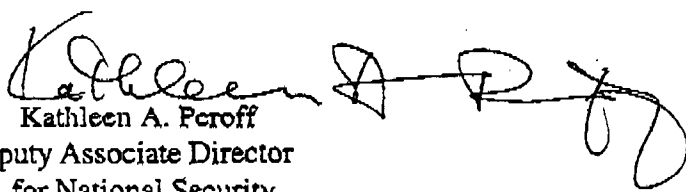

Date

Bruce A. Dauer
Deputy Comptroller

SEP 27 2001

The amounts reflected on enclosure are hereby apportioned. In addition, the reimbursable programs associated with these accounts are automatically apportioned to the level of reimbursable orders received.


Date


Kathleen A. Peroff
Deputy Associate Director
for National Security

Enclosure

Department of Defense

FY 2002 Letter Apportionment Request

Continuing Resolution Beginning October 1, 2001 and Ending October 16, 2001

Dollars in Thousands

						4.4%
ARMY	FY 2001 Total	FY 2002 Request	FY 2002 Senate	FY 2002 House	CR Baseline	Apportioned -16d
Military Personnel	22,613,291	23,626,684			22,613,291	994,985
Reserve Personnel	2,519,863	2,604,197			2,519,863	110,874
National Guard Personnel	3,987,924	4,014,135			3,987,924	175,469
Operation & Maintenance	22,575,162	21,191,680			21,191,680	1,741,782
Operation & Maintenance, Army Reserve	1,583,746	1,787,246			1,583,746	69,685
Operation & Maintenance, Army National Guard	3,398,531	3,677,359			3,398,531	149,535
Environmental Restoration	-	n/a			0	0
Aircraft Procurement, Army	1,557,391	1,925,491			1,557,391	68,525
Missile Procurement, Army	1,308,564	1,859,634			1,308,564	57,577
Proc Weapons and Tracked Combat Vehicles	2,449,881	2,276,746			2,276,746	100,177
Proc of Ammunition	1,209,317	1,193,365			1,193,365	52,508
Other Procurement, Army	4,478,207	3,961,737			3,961,737	174,316
Research, Development, Test and Evaluation	6,297,015	6,693,920			6,297,015	277,069
Chemical Agents and Munitions Dest	977,946	1,153,557			977,946	43,030
Military Construction, Army	963,329	1,760,541		1,739,334	963,329	42,386
Military Construction, Army National Guard	285,587	367,389		313,348	285,587	12,566
Military Construction, Army Reserve	108,499	111,404		167,769	108,499	4,774
Family Housing Operation and Maintenance	1,044,150	1,108,991		1,096,431	1,044,150	45,943
Family Housing Construction	228,511	291,542		294,042	228,511	10,054
Total	77,586,914	79,605,618	0	3,610,924	75,497,875	4,131,254
						4.4%
NAVY	FY 2001 Total	FY 2002 Request	FY 2002 Senate	FY 2002 House	CR Baseline	Apportioned -16d
Military Personnel, Navy	17,983,462	19,606,984			17,983,462	791,272
Military Personnel, Marine Corps	6,913,330	7,365,040			6,913,330	304,187
Reserve Personnel, Navy	1,585,214	1,643,523			1,585,214	69,749
Reserve Personnel, Marine Corps	451,381	463,300			451,381	19,861
Operation & Maintenance, Navy	25,259,734	26,961,382			25,259,734	2,076,143
Operation & Maintenance, Marine Corps	2,848,521	2,892,314			2,848,521	234,125
Operation & Maintenance, Navy Reserve	1,011,825	1,003,690			1,003,690	44,162
Operation & Maint., Marine Corps Reserve	144,621	144,023			144,023	6,337
Environmental Restoration	-	n/a			0	0
Aircraft Procurement	8,045,695	8,252,543			8,045,695	354,011
Weapons Procurement	1,442,128	1,433,475			1,433,475	63,073
Proc Ammo, Navy & Marine Corps	542,739	457,099			457,099	20,112
Shipbuilding and Conversion	11,443,201	9,344,121			9,344,121	411,141
Other Procurement, Navy	3,496,909	4,097,576			3,496,909	153,864
Procurement Marine Corps	1,216,949	981,724			981,724	43,196
Research, Development, Test and Evaluation	9,594,858	11,123,389			9,594,858	422,174
Sealift Fund (X)	399,777	506,408			399,777	17,590
Kaho'Olawe Trust (X)	59,868	25,000			25,000	1,100
Military Construction, Navy	929,618	1,071,408		1,154,248	929,618	40,903
Military Construction, Navy Reserve	64,339	33,641		62,351	62,351	2,743
Family Housing Operation and Maintenance	900,628	918,095		910,095	900,628	39,628
Family Housing Construction	417,335	304,400		334,780	334,780	14,730
Total	94,752,132	98,629,135	0	2,461,474	92,195,390	5,130,101
						4.4%
AIR FORCE	FY 2001 Total	FY 2002 Request	FY 2002 Senate	FY 2002 House	CR Baseline	Apportioned -16d
Military Personnel	18,335,944	20,151,514			18,335,944	806,782
Reserve Personnel	983,509	1,055,160			983,509	43,274
National Guard Personnel	1,709,087	1,776,744			1,709,087	75,200

Department of Defense

FY 2002 Letter Apportionment Request

Continuing Resolution Beginning October 1, 2001 and Ending October 16, 2001

Dollars in Thousands

Operation & Maintenance	24,271,425	26,146,770			24,271,425	1,994,912
Operation & Maintenance, AF Reserve	1,934,955	2,029,866			1,934,955	85,138
Operation & Maintenance, Air National Guard	3,602,328	3,867,361			3,602,328	158,502
Environmental Restoration	-	n/a			0	0
Aircraft Procurement	10,082,688	10,744,458			10,082,688	443,638
Missile Procurement	2,797,590	3,233,536			2,797,590	123,094
Proc of Ammunition	673,061	865,344			673,061	29,615
Other Procurement	7,936,690	8,159,521			7,936,690	652,331
Research, Development, Test and Evaluation	14,394,059	14,343,982			14,343,982	631,135
Military Construction, Air Force	889,423	1,068,250		1,185,220	889,423	39,135
Military Construction, Air National Guard	210,081	149,072		198,803	198,803	8,747
Military Construction, Air Force Reserve	36,510	53,732		81,882	36,510	1,606
Family Housing Operation and Maintenance	847,073	869,121		858,121	847,073	37,271
Family Housing Construction	249,159	518,237		536,237	249,159	10,963
Total	88,953,582	95,032,668	0	2,860,263	88,892,227	5,141,343
						4.4%
DOD/DW	FY 2001 Total	FY 2002 Request	FY 2002 Senate	FY 2002 House	CR Baseline	Apportioned - 16d
Operation & Maintenance, Defense-Wide	12,229,655	12,518,631			12,229,655	1,005,177
U.S. Court of Appeals for the Armed Forces	8,555	9,096			8,555	376
Overseas Contingency Operations Transfer Fund (x)	-	n/a			0	0
Environmental Restoration, DW	-	n/a			0	0
Environmental Restoration, Formerly Used Sites	-	n/a			0	0
Overseas Humanitarian, Disaster and Civic Aid	55,777	49,700			49,700	2,187
Former Soviet Union Threat Reduction	442,425	403,000			403,000	17,732
Quality of Life Enhancements, Def	160,500	0			0	0
Drug Interdiction and Counterdrug Activities	-	n/a			0	0
Defense Health Program	13,722,789	17,898,969			13,722,789	1,200,000
Inspector General - O&M	143,977	152,021			143,977	6,335
Inspector General - Proc (2/4)	3,293				0	0
Support for International Sporting Competitions	-	15,800			-	0
Procurement Defense-Wide	2,297,720	1,603,927			1,603,927	70,573
National Guard and Reserve Equip, Defense	109,700	0			0	0
Research, Development, Test and Evaluation	11,327,510	15,050,787			11,327,510	498,410
Operational Test and Evaluation	224,975	217,355			217,355	9,564
Defense Working Capital Fund	1,092,660	1,951,986			1,092,660	48,077
National Security Education Trust Fund	6,935	8,000			6,935	305
Indian Financing	7,982	0			0	0
Defense Production Act Purchases	2,972	50,000			2,972	131
Military Construction, Defense-Wide	801,783	694,558		863,058	801,783	35,278
Family Housing Operation and Maintenance	45,165	43,762		43,762	43,762	1,926
Family Housing Construction	-	250		250	-	0
Base Closure and Realignment	1,031,124	532,200		552,713	552,713	24,319
Homeowners' Assistance	-	10,119		10,119	-	0
DoD Family Housing Improvement Fund	6,203	2,000		2,000	2,000	88
NATO Security Investment Program	171,622	162,600		162,600	162,600	7,154
Total	43,893,322	51,374,761	0	1,634,502	42,371,893	2,927,633
Total DoD	305,185,950	324,642,182		10,567,163	298,957,385	17,330,332
Note:						
Apportionment authority for the accounts where "n/a" is cited in the FY 2002 column is covered by authority provided to the account to which transferred.						